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**Recent SEC Division of Corporation Finance
Compliance and Disclosure Interpretations Relating to
Exempt Offerings under Regulations A and D**

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These interpretations (and any revisions) are available at <http://www.sec.gov/divisions/corpfin/guidance/securitiesactrules-interps.htm>. The numbering is from the original. The bracketed date following each interpretation is the latest date of publication or revision.

Section 141. Rule 147 — “Part of an Issue,” “Person Resident,” and “Doing Business Within” for Purposes of Section 3(a)(11)

Question 141.03

Question: If an issuer plans to conduct an intrastate offering pursuant to the Section 3(a)(11) exemption, may the issuer engage in general advertising or a general solicitation?

Answer: Securities Act Rule 147 does not prohibit general advertising or general solicitation. Any such general advertising or solicitation, however, must be conducted in a manner consistent with the requirement that offers made in reliance on Section 3(a)(11) and Rule 147 be made only to persons resident within the state or territory of which the issuer is a resident. [April 10, 2014]

Question 141.04

Question: An issuer plans to use a third-party Internet portal to promote an offering to residents of a single state in accordance with a state statute or regulation intended to enable securities crowdfunding within that state. Assuming the issuer met the other conditions of Rule 147, could it rely on Rule 147 for an exemption from Securities Act registration for the offering, or would use of an Internet portal necessarily entail making offers to persons outside the relevant state or territory?

Answer: Use of the Internet would not be incompatible with a claim of exemption under Rule 147 if the portal implements adequate measures so that offers of securities are made only to persons resident in the relevant state or territory. In the context of an offering conducted in accordance with state crowdfunding requirements, such measures would include, at a minimum, disclaimers and restrictive legends making it clear that the offering is limited to residents of the relevant state under applicable law, and limiting access to information about specific investment opportunities to persons who confirm they are residents of the relevant state (for example, by providing a representation as to residence or in-state residence information, such as a zip code or residence address). Of course, any

issuer seeking to rely on Rule 147 for the offering also would have to meet all the other conditions of Rule 147. [April 10, 2014]

Question 141.05

Question: Can an issuer use its own website or social media presence to offer securities in a manner consistent with Rule 147?

Answer: Issuers generally use their websites and social media presence to advertise their market presence in a broad and open manner so that information is widely disseminated to any member of the general public. Although whether a particular communication is an "offer" of securities will depend on all of the facts and circumstances, using such established Internet presence to convey information about specific investment opportunities would likely involve offers to residents outside the particular state in which the issuer did business.

We believe, however, that issuers could implement technological measures to limit communications that are offers only to those persons whose Internet Protocol, or IP, address originates from a particular state or territory and prevent any offers to be made to persons whose IP address originates in other states or territories. Offers should include disclaimers and restrictive legends making it clear that the offering is limited to residents of the relevant state under applicable law. Issuers must comply with all other conditions of Rule 147, including that sales may only be made to residents of the same state as the issuer. [October 2, 2014]

Section 255. Rule 501 — Definitions and Terms Used in Regulation D

Question: If a purchaser's annual income is not reported in U.S. dollars, what exchange rate should an issuer use to determine whether the purchaser's income meets the income test for qualifying as an accredited investor?

Answer: The issuer may use either the exchange rate that is in effect on the last day of the year for which income is being determined or the average exchange rate for that year. [July 3, 2014]

Question 255.49

Question: Can assets in an account or property held jointly with another person who is not the purchaser's spouse be included in determining whether the purchaser satisfies the net worth test in Rule 501(a)(5)?

Answer: Yes, assets in an account or property held jointly with a person who is not the purchaser's spouse may be included in the calculation for the net worth test, but only to the extent of his or her percentage ownership of the account or property. [July 3, 2014]

Section 260. Rule 506 — Exemption for Limited Offers and Sales Without Regard to Dollar Amount of Offering

Question 260.05

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